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NFA to aggressively buy palay

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The National Food Authority (NFA) has temporarily stopped insisting on importation and instead said it will aggressively implement its local procurement of palay, targeting 6 million bags of local grains for 2018.

The state-run grains agency said in a statement on Monday that it is fully ready in terms of logistics, funds and personnel to buy as much local palay harvest as possible to beef up its dwindling buffer stock during the summer crop harvest from March to May.

For 2018, NFA targets to buy 6 million bags of palay to boost the government's buffer stock and rice distribution requirements.

This, as NFA stocks continued to drop, with latest figures showing that it had gone down by 86.80 percent to 61,400 metric tons (MT).

NFA administrator Jason Aquino said the food agency will focus all its logistics, funds and personnel on aggressive palay buying as harvest starts to peak in some areas.

As early as January, palay procurement funds had already been remitted to areas expected to start harvesting earlier than the others.

These include Iloilo, Aklan, Bukidnon, La Union, Bulacan, Pampanga, Bataan, Batangas, San Jose and Mamburao in Mindoro Occidental, Sultan Kudarat and other areas in Mindanao.

The agency also plans to deploy mobile procurement teams in far-flung areas to directly buy palay from farmers.

They are instructed to buy even freshly harvested or wet palay based on the respective drying capacities of each NFA provincial and regional office.

Almost all NFA provincial offices and half of its buying stations across the country have mechanical driers and solar drying facilities, NFA noted.

All NFA buying stations will also be opened and utilized during the whole harvest period.

Procurement personnel shall be required to render overtime work if necessary, Aquino said.

Historically when harvest peaks, ex-farm prices go down, though minimal during the summer crop because this is the season when farmers produce better quality palay than during the wet crop so traders also buy aggressively. Farm-gate prices may also go down as rice from the private sector's minimum access volume (MAV) imports start to be released in the market. When that happens, NFA shall seize the opportunity to aggressively buy our local harvest," Aquino said.

He said the NFA has made it easier for famers to sell their palay to the agency by simplifying its procedures and payment scheme. In less risky areas, NFA will pay palay deliveries in cash on the same day.

NFA buys palay at ₱17.00 per kilogram (/kg) clean and dry with an additional ₱0.20/kg drying incentive and ₱0.20 – ₱0.50/kg delivery incentive.

For farmer organizations an additional ₱0.30/kg is given as cooperative development incentive fee (CDIF).

* INDUSTRIES – RICE
* NATIONAL FOOD AUTHORITY (NFA